GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1152
ANSWERED ON:10.03.2005
ROYALTY ON CRUDE OIL
Chaliha Shri Kirip;Gadhavi Shri Pushpdan Shambhudan;Kanodia Shri Mahesh Kumar;Solanki Shri Bhupendrasinh Prabhatsinh;Thummar Shri Virjibhai;Varma Shri Ratilal Kalidas

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether royalty on crude oil received by the State Government is normally used for entire State ;

(b) if so, the details thereof;

(c) whether the existing permission allow this royalty to be used for development of the area from where the crude oil is found; and

(d) if not, the reasons therefor?

Answer

MINISTER OF PETROLEUM & NATRUAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d): Royalty on crude oil is payable in terms of the provisions of the Oil Fields (Regulation and Development) Act, 1948 and the Petroleum & Natural Gas Rules, 1959, framed thereunder. Royalty on on-land production is paid to the State Government concerned and the proceeds are credited to their State`s Consolidated Fund. The Oil Fields (Regulation and Development) Act, 1948 and Petroleum & Natural Gas Rules, 1959 do not prescribe the manner of utilization of royalty proceeds by the State Government. These are, therefore, utilized by the recipient State Government similarly to any other general revenues accruing to it.